

MEMO# 30868

September 12, 2017

Asia Region Funds Passport - Guidance Consultation - Draft ICI Global Comment Letter for Review by 15 September

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TO: ICI Global Exchange Traded Funds Committee
ICI Global Pacific Chapter
ICI Global Regulated Funds Committee
ICI Global Tax Committee
International Operations Advisory Committee
International Operations Working Group RE: Asia Region Funds Passport - Guidance Consultation - Draft ICI Global Comment Letter for Review by 15 September

As previously advised^[1], on 25 July 2017 the Joint Committee (JC) of the Asia Region Funds Passport (ARFP) initiative published a public consultation on guidance, describing the host economy laws and regulations that will apply to passported funds ("guidance consultation").

ICI Global's draft response to the guidance consultation is attached for your review. **Please provide comments on the draft response to Bona Lee (based in Hong Kong) on +852 2168 0886 or at bona.lee@iciglobal.org, or to Giles Swan (based in London) on +44 207 961 0832 or at giles.swan@iciglobal.org by close of business on Friday 15 September 2017.**

Draft Response

Responses to the guidance consultation must be submitted by email to ARFP JC members by 19 September 2017.^[2] ICI Global's draft response contains comments in the following areas:

- **Distribution** – permit the use of ARFP funds for retirement and long-term savings;
- **Tax** – eliminate tax barriers that erode the benefits of an ARFP fund;
- **Implementation** – enable ARFP funds to develop an early reputation for transparency and strong regulation by providing clarity on implementation in good time before the passport;
- **ARFP rules** – promote regulatory coordination, convergence and harmonisation;
- **Operations** – facilitate the cross-border provision of operational functions for ARFP

funds; and

- **Enlargement** – support further enlargement of the group of ARFP participants.

The annex of our response contains selected international approaches to fund registration and marketing to inform the potential future development of the ARFP.

Next Steps

ARFP JC members have indicated that they may update the guidance as the applicable legal requirements become clear and also to take into account industry submissions to the consultation. As described in the annual report^[3] that was published alongside the guidance consultation, some participating member economies intend to implement the ARFP by the end of this year. As described in the MoC, the activation of the Passport will occur after any two participating economies complete implementation. In our draft response to the guidance consultation, we urge the ARFP JC to adopt a balanced approach to the activation of the passport – ensuring that the remaining aspects of implementation are settled and communicated to potential ARFP operators in good time ahead of activation, and that ARFP supervisory authorities are ready and authorise and register ARFP funds.

Giles Swan
Director of Global Funds Policy, ICI Global

[Attachment](#)

endnotes

[1] Memo 30804, dated 31 July 2017, RE: Asia Region Funds Passport - Publication of First Annual Report and Guidance Consultation (Deadline: 19 September 2017), available from <https://www.iciglobal.org/iciglobal/pubs/memos/memo30804>

[2] <http://fundspassport.apec.org/consultation-on-arfp-guidance-2017/>

[3] Asia Region Funds Passport, Annual Report 2016-2017, available from https://cdn.tspace.gov.au/uploads/sites/20/2017/07/ARFP_AR_2017.pdf